



# Housing Authority of the City of Alameda

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## MINUTES

### REGULAR MEETING OF THE HOUSING COMMISSION OF THE CITY OF ALAMEDA HELD WEDNESDAY, JULY 15, 2009

The Commission was called to order at 7:00 p.m. by Chair Kurrasch.

#### PLEDGE OF ALLEGIANCE

#### 1. ROLL CALL

Present: Commissioner Balde, Pratt, Schlueter and Chair Kurrasch.

Absent: None.

#### 2. CONSENT CALENDAR

Chair Kurrasch asked that item 2-B be removed for discussion before approving. After discussion of item 2-B, Commissioner Pratt moved acceptance of the Consent Calendar. Commissioner Schlueter seconded. Motion carried unanimously. All items accepted or adopted are indicated with an asterisk.

\*2-A. Minutes of the Housing Commission Regular Meeting held June 17, 2009. Minutes were accepted.

\*2-B. Budget Variance Report. Finance Manager Alan Olds stated this is a preliminary year-end report because expenses are still arriving. Estimates have been made based on typical history. He explained the \$200,000 in year-end accruals should cover the remaining expenses. Mr. Olds reviewed the details of the budget. He said the water, sewer, and gas rates increased during the year. Maintenance expenses decreased substantially: half of the reason is because of fewer unit turnovers and the other half is because Bob Haun improved efficiencies. Mr. Olds talked more about the details of the budget.

Commissioner Pratt asked if tenants are using more utilities. Mr. Olds said there was a rate increase this year but there may be variables occasionally with tenant usage.

Commissioner Balde asked if the Housing Authority was exempt from water rationing. Mr. Pucci and Mr. Olds responded no. She asked if there were surcharges. Mr. Olds responded yes. Chair Kurrasch added there has been a 6.5 percent increase in rates.

Mr. Olds discussed the mortgage, replacement reserves, and capital improvements. He then discussed the Housing Assistance reserve.

Commissioner Schlueter commented on the auditor's process. Mr. Olds stated he has asked the auditor to do separate schedules; one with operations, one with reserves and then a third adding them together. Commissioner Schlueter asked for a comparative balance sheet. Mr. Olds is not sure it can be done due to strict HUD guidelines. Commissioner Pratt asked if there could be a footnote. Mr. Olds said it is possible for a footnote. Commissioner Schlueter suggested doing supplemental information after the audit. Mr. Pucci said it could be done and said the Housing Authority has a favorable balance sheet. He agreed that items need to be noted to explain what is truly happening.

Commissioner Pratt asked if this will be published by the City. Mr. Pucci said no.

Mr. Olds discussed the capital assets. He mentioned the Independence Plaza parking lot being paid from the replacement reserve, which is what the Board approved. Capital assets are not expenses and they go on the balance sheet.

Commissioner Schlueter asked if any existing roofs are over 20 years old. Mr. Pucci said roofs are in great shape; they are all under 20 years old, with the exception of Independence Plaza which has a 50 year life.

Mr. Michael Torrey asked about cycle painting at Esperanza. Mr. Olds stated painting is generally an expense item under maintenance.

Mr. Olds said the Housing Authority had a very good year and everything looks well going forward.

Commissioner Schlueter asked when the auditor is scheduled. Mr. Olds said staff has 60 days to file the un-audited financial statement to HUD. It is expected to be completed mid-August and at that time the auditor will come in. The City needs their report by the end of September. The auditor needs to do his job between August 15<sup>th</sup> and September 30<sup>th</sup>. HUD requires completion within nine months. Mr. Olds explained that HUD does a lot of their own checking during this process.

Chair Kurrasch thanked Mr. Olds.

This report was for information only.

- \*2-C. Revised Independence Plaza Pet Policy. The Housing Commission adopted the proposed pet policy as amended.

### 3. AGENDA

- 3-A. Election of Officers. Mr. Pucci said the Nomination Committee nominated Commissioner Arthur Kurrasch to be Chair and Commissioner Joy Pratt to be Vice-Chair for another term, recommended to be effective immediately. Commissioner Schlueter moved the Housing Commission accept the committee's nominations and elect Commissioner Arthur Kurrasch to be Chair and Commissioner Joy Pratt to be Vice Chair of the Housing Commission effectively immediately. Commissioner Balde seconded. Motion carried unanimously.

- 3-B. Reduction in Inclusionary Housing Unit Requirement from 25 percent to 15 percent for Redevelopment Project Areas. Mr. Pucci introduced Andrew Thomas from the Planning Department of the City of Alameda. Mr. Thomas gave a presentation.

Chair Kurrasch asked if the affordable units were for sale. Mr. Thomas said it may not be feasible to sell these units. These units would be pooled for very-low and low - income families. Chair Kurrasch stated the Commission is taking no action on this item; Mr. Thomas is taking Housing Commission comments to the City Council.

Commissioner Schlueter asked for an entire package to make a recommendation. Chair Kurrasch responded that the entire package is enclosed with the report.

Chair Kurrasch asked for comments from the Housing Commission.

Commissioner Schlueter asked, with this proposal, if the Housing Authority could increase the units managed for low-income families. Mr. Pucci responded not directly. If a developer requests the density bonus the developer may approach the Housing Authority to take a role; i.e. managing, subsidizing, etc. Additionally, the developer could be a non-profit that builds its project and requests the density bonus without the Housing Authority's involvement.

Speaker Bill Smith, representing Renewed Hope, asked about the density on the sites. Mr. Thomas addressed his question. Mr. Smith discussed the Alameda Point area and the impact of this ordinance. He further discussed the density bonus and the City Council. He believes the City has an adverse attitude to affordable housing and the 25 percent ordinance should be retained.

Commissioner Schlueter asked about the language referring to 15 or 25 percent. Mr. Thomas read the section of the ordinance to the Commission; City-wide it is 15 percent, 25 percent in redevelopment areas.

Commissioner Schlueter asked if this ordinance proposes that the 25 percent be reduced to 15 percent. Mr. Thomas concurred and discussed in detail. Commissioner Schlueter asked if the units for apartments could be a separate parcel from the majority of the units. Mr. Thomas said it is hard to do and explained the process.

Commissioner Schlueter asked which California communities are making this concept work and if this ordinance being modeled after others. Mr. Thomas said the City is not on its own with this ordinance, this is similar to State law. He described the constraints of Measure A and Alameda's neighboring communities.

Commissioner Schlueter commented on the difficulty of making the density bonus work in a construction loan; he believes the term "bonus" is a tax. He explained his point of view. He does not believe this is viable enough to work and gave examples.

Chair Kurrasch asked that comments be forwarded to the City Council.

Commissioner Schlueter asked if this ordinance will allow the Housing Element to be approved. Mr. Thomas did not believe so, but he believes it will help in the argument.

Mr. Pucci summarized that, with the exception of the Alameda Development Corporation project on Buena Vista, any affordable housing developed over the past 15 years has been done via a lawsuit. He described the process for the Breakers project and others. He said nothing has been developed with the 25 percent inclusionary zoning ordinance. He believes this recommendation is a good idea and that a density bonus ordinance should have been adopted 25 years ago. He believes affordable housing should be built by means other than lawsuits and suggested that this may be one way to do it.

Commissioner Schlueter commented the pro forma has to work. Mr. Pucci answered that a density bonus and multi-family housing will help the pro forma. He commented that the 25 percent inclusionary zoning ordinance has been on the books for eight years and nothing has been built.

Commissioner Schlueter believes Measure A is a deterrent and many other revisions should be made. Mr. Pucci said the density bonus law states that it supersedes any local zoning ordinance, City amendment or City charter, it is State law. Mr. Pucci said if a developer requests a density bonus to build multi-family units it must be granted over Measure A restrictions. Mr. Thomas also described more on the impact that it might have on a pro forma.

Mr. Pucci said he will glean the conversations from tonight's meeting and make them into comments for the Commission to review at the next meeting for final approval.

The Housing Commission reviewed the recommendation to roll back the affordable housing unit requirement in redevelopment areas from 25 percent to 15 percent and comments will be developed to be forwarded to the City Council.

#### 4. ORAL COMMUNICATIONS

Speaker Mina Katoozian said she submitted an application for housing for her parents and has been told it may take 10 years to obtain affordable housing. Mr. Pucci explained her parents recently applied for the managed housing waiting list for seniors and it is uncertain when they will come to the top of the list. Mr. Pucci explained the selection process and preferences. Ms. Katoozian explained that she was one of the first to mail in the application. Mr. Pucci stated applications are not based on date or time of submission, as this is a lottery and applicants are randomly drawn.

Chair Kurrasch discussed frustration of having little turnover. Ms. Katoozian voiced her frustration. Mr. Pucci stated he believes this is the fairest process. Additionally, there are limited amounts of apartments available for seniors. Chair Kurrasch described fair market rates and the lack of available low-income units due to low turnover and said the Housing Authority is following federal regulations. Ms. Katoozian asked about her family's application submitted five years ago. Mr. Pucci

responded no applications were accepted in 2004 and staff has looked for an older application but this is the one recently submitted is the only application that could be found for this family. Mr. Pucci repeated that staff has looked for their old application with no success and believes they did not submit one earlier.

Speaker Reginald James, Alameda resident, discussed National Night Out. He asked about having a vigil at Esperanza for the young man who was killed there last year. The anniversary is on the same day as the National Night Out, August 4<sup>th</sup>. Mr. Pucci will consider after discussing with staff. Mr. Pucci discussed the inappropriate graffiti and display at Esperanza after the killing last year. Mr. James described an appropriate meeting for people to mourn and express their sorrow. Chair Kurrasch thanked Mr. James.

5. COMMISSIONER COMMUNICATIONS

Chair Kurrasch spoke in remembrance of Commissioner Billie Trujillo who was buried today in Sacramento. Chair Kurrasch spoke of Mr. Trujillo’s many years of service and asked for a moment of silence.

6. ADJOURNMENT

There being no further discussion, Chair Kurrasch adjourned the meeting at 8:24 p.m.

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Arthur A. Kurrasch, Chair

Attest:

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Michael T. Pucci  
Executive Director / Secretary